

**MINUTES OF THE
BUSINESS, ECONOMIC DEVELOPMENT, & LABOR
APPROPRIATIONS SUBCOMMITTEE
Room 210, Senate Building
February 14, 2013**

Members Present: Sen. Brian E. Shiozawa, Senate Chairman
Rep. Jim Bird, House Chairman
Rep. Stewart E. Barlow, House Vice Chair
Sen. Curtis S. Bramble
Sen. Wayne A. Harper
Sen. Scott K. Jenkins
Sen. Stuart C. Reid
Sen. Jerry W. Stevenson
Rep. Patrice M. Arent
Rep. James A. Dunnigan
Rep. Jeremy A. Peterson
Rep. Val L. Peterson
Rep. Dixon M. Pitcher
Rep. Angela Romero
Rep. Ryan D. Wilcox

Members Absent: Sen. Gene Davis
Rep. V. Lowry Snow
Rep. Brad R. Wilson

Staff Present: Dr. Andrea Wilko, Chief Economist
Mr. Zackery King, Fiscal Analyst
Ms. Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts will be filed with committee minutes.

Sen. Shiozawa called the meeting to order at 8:02 a.m.

Utah Science Technology and Research

Fiscal Analyst, Zackery King, reviewed the USTAR Budget Brief and two Issue Briefs. Details may be found by going to the Legislature home page and this committee. Suggestions for performance measures and accountability were discussed. Operations and maintenance costs for USTAR buildings is an ongoing issue which impacts the building block request. The Office of the State Auditor reported: Because of the lack of formal agreements, it is unclear what rights, responsibilities, and obligations USTAR and the universities have related to the facilities. It is unclear who owns and should account for the facilities. Formal agreements between USTAR and the universities would eliminate these ambiguities and help prevent future disputes that could result from these ambiguities. The nonlapsing authority of USTAR was explained. There was a discussion about what is being accomplished and a request from the committee for more detail as to salaries and where money is being spent and the need for more oversight.

Ted McAleer, Executive Director of USTAR, explained that complete balance sheets are presented monthly to the governing board. Nonlapsing balances were a result of a number of efficiencies which were gained. Through a power point presentation and a handout the objectives, legislative mandate, governing board, economic impact and results overview were discussed. There was discussion of where staff have been recruited from, many states and even Australia, Argentina, Italy, and Iran among others. In FY 2012 there were over 200 projects in 21 of the 29 counties in Utah.

Robert Behunin, Utah State University Vice President for Commercialization and Regional Development, reported that state investment in UVU USTAR has been \$93 million and new funds brought to the state have been \$314 million, a 238% ROI. Three successful projects are: weather forecasting, vehicle electrification (Aggie Bus) and transforming coal to coke. Over \$9 million worth of contracts have resulted from the vehicle electrification project.

Ryan Angus, Utah Valley University Associate Director Economic Development/USTAR, reported on the Business Resource Center at UVU and its projects.

USTAR requests the Governor's budget recommendation of \$25,106,200 in FY 2014 and supports the request for a performance audit in 2014. The ROI for the entire program is 175%. It was requested that all agencies inform the committee as to ROI and that ROI be used as a discriminator when prioritizing.

Request for Appropriation

Sen. Vickers with Fred Adams, founder of the Utah Shakespeare Festival, and Jeff Edwards, CEO of Economic Development Corporation of Utah, distributed a handout which details the economic impact of the Festival and requested \$3,000,000 to help fund the new theatre.

Zeke Dumke and Katie Eccles, both of the American Cancer Society, distributed a handout and showed a video requesting a one time appropriation of \$1,600,000 to help fund a Hope Lodge in Salt Lake City.

Sen. Stevenson presented the request for an ongoing appropriation of \$750,000 for the Utah Defense Alliance, an organization which can help keep Hill Air Force Base open in Utah. Kevin Sullivan, former commander of HAFB, was introduced.

MOTION: Rep. Dunnigan moved to adjourn. The motion passed unanimously with Sen. Harper absent for the vote.

Sen. Shiozawa adjourned the meeting at 9:52 a.m.